

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ILLINOIS BELL TELEPHONE COMPANY (SBC ILLINOIS))	
)	04-0441
Petition for Variance Pursuant to)	
Part 735 of the Commission's Rules)	

VERIFIED STATEMENT OF JOAN S. HOWARD

My name is Joan S. Howard, and my business address is 527 East Capitol Avenue, Springfield, Illinois 62701. I am employed by the Illinois Commerce Commission ("Commission") as a Consumer Policy Analyst in the Consumer Services Division. My responsibilities include development of consumer informational and educational materials; review of notices, marketing materials, and other forms of communication to customers; review of applications for certification of service authority; review of utility tariffs; development of rules and policies pertaining to consumer protection and consumer billing and payment practices; assisting division management in consumer complaint mediation and resolution; and evaluation of data recorded in the Division's complaint tracking system.

Current Rule -- Subsection 70(b)(1)(G) of Part 735

Subsection 70(b)(1)(G) of the Commission's Rules provides in full the following:

(G) if a local exchange company has assumed responsibility of collection for toll calls, it shall include an itemization of all toll calls charged to the account including, but not limited to the date and time of the call, the rate which applied to the call, the length of the call in minutes, the destination of the call, or point of origin for collect and/or third party calls;

See 83 Ill. Admin. Code Part 735.70(b)(1)(G).

Description of Proposed Variance

In this petition, SBC Illinois seeks a waiver from subsection 70(b)(1)(G) of Part 735 to permit SBC Illinois to implement a new billing option. SBC Illinois seeks approval to offer its residential and non-residential customers the *option* to choose whether they receive billing detail for local toll and long distance calls included in flat rate usage plans. SBC Illinois proposes to offer a toll detail suppression option to customers who have purchased packages that include both unlimited local toll and unlimited long-distance calling at a flat rate (“Unlimited Toll/LD Packages”). SBC Illinois proposes to provide customers who choose this option a monthly usage summary. Customers that do not choose this option will continue to receive the current call detail, with the cost of the call shown as zero.

All toll calls that are not included in the Unlimited Toll/LD Packages will continue to be listed on the bill, for example, international calls, credit card calls, and collect calls. SBC Illinois proposes to suppress the detail only if the customer affirmatively makes that specific request, either at the point of sale, or via the mailing and/or customer contact. Customers, moreover, can always choose the option of reverting back to receiving all future toll call detail simply by contacting SBC Illinois.

Reasons Provided By SBC For Its Request For Variance

In support of its request for variance, SBC Illinois presents the testimony of David F. Becker, Director of Billing Product Management for SBC Operations. Mr. Becker is Director of retail bill format across all 13 SBC states and in that role he is responsible for customer research analysis, bill format/content requirements, and end user billing

strategies. Mr. Becker testifies that results of a customer research initiative, with the objective of improving the end user monthly bill, indicated that customers prefer a bill as close to one page as possible, and forgoing the call detail on Unlimited Toll/LD Packages for calls for which no separate charge is assessed. In addition, SBC Illinois asserts that suppressing toll detail for flat rate plans may potentially reduce costs for paper and postage.

Customer Impact

- If the proposed variance is approved, call detail suppression will apply only to bills of SBC Illinois and SBC Long Distance customers who have purchased packages that include Unlimited Toll/LD Packages calling at a flat rate.
- If the proposed variance is approved, a SBC Illinois Local and SBC Long Distance customer would have the *option* to request suppression of call detail for Unlimited Toll/LD Packages, and retains the option to change his prior choice and revert back to receiving call detail on a going forward basis.
- The Staff, at this time, is unsure what the customer impact would be, if the proposed variance is approved, on a customer who purchases Unlimited Toll/LD Packages and who has SBC Illinois as their local carrier but has a long distance carrier ("IXC") or toll carrier other than SBC Long distance.

The Staff's Position

The Staff finds many of SBC Illinois' reasons for requesting the waiver to be well founded. First, the variance is available as an *option* at the request of the SBC Illinois local customer. Second, it is the Staff's understanding that the waiver is applicable only to bills of SBC Illinois local customers who have purchased Unlimited Toll/LD Packages at a flat rate. Third, the SBC Illinois local customer would have the *option* to request suppression of call detail for Unlimited Toll/LD Packages and at any time, without charge, retain the *option* to change their prior request and return to receiving call detail on a going forward basis. Finally, the notice that SBC Illinois intends to give their customers regarding call detail suppression appears to be sufficient. These factors, in the Staff's view, all mitigate in favor of granting SBC Illinois' requested variance.

The Staff, however, has certain concerns. First, in order to allow SBC Illinois' customers who purchase Unlimited Toll/LD Packages to switch from call detail suppression back to receiving call detail, and to allow customers to evaluate their telecom usage for any given month or to compare months of usage, the Staff, presumes that SBC (local or long distance) is able to, and in fact would, retain the call detail data, including usage data, for at least 24 months. See SBC Illinois Ex. 1.0 (Becker), at 6. If the Staff is wrong regarding its presumption, the Staff requests that SBC inform the Staff that it is laboring under a wrong presumption. Second, as noted above, Part 735 requires local exchange carriers ("LECs") that have "assumed responsibility of collection for toll calls" to provide the call detail as listed in Part 735. It is the Staff's understanding that when a LEC and a long distance (or inter-exchange carrier or "IXC") carrier enter

into a billing and collection (“B&C”) agreement the LEC routinely would provide B&C services to the IXC for both toll and long distance. The Staff’s concern is that SBC Illinois local customers that have an IXC other than SBC Long Distance would not be offered the same call detail suppression options as the end user customer that has SBC Illinois as its local carrier and SBC Long Distance as its inter-exchange carrier. The Staff, therefore, conditions its favorable recommendation upon a commitment by SBC Illinois to offer call detail suppression to its end-user customers that use an IXC other than SBC Long Distance. In addition, the call detail suppression should be the same as what they provide to end-user customers that have SBC Illinois as its local carrier and SBC Long Distance as its inter-exchange carrier. It is the Staff’s understanding that SBC Illinois can meet this condition by notifying the IXCs with whom they have B&C agreements that SBC Illinois will be offering this option to IXCs (and their end-users) that renegotiate the applicable B&C agreement, if needed.

Finally, similar to the situation noted above, in situations where the end user customer has SBC Illinois as their local provider and a toll and/or long distance carrier other than SBC Long Distance, the Staff presumes that SBC Illinois (local) and the applicable local toll carrier and/or IXC are able to, and in fact would, retain the call detail data for at least 24 months, including usage data in order to allow customers to evaluate their telecom usage for any given month or to compare months of usage. If the Staff is wrong regarding its presumption, the Staff again requests that SBC inform the Staff that it is laboring under a wrong presumption.

In short, if SBC Illinois commits to offering the call detail suppression option available to all of its local customers, regardless of which toll or IXC carrier the end-user customer chooses, and regardless of whether or not SBC Illinois will have to re-negotiate B&C agreements with IXCs, the Staff would have no objection to the SBC Illinois petitioned for variance of Part 735.70(b)(1)(G).


STATE OF ILLINOIS)
)SS
COUNTY OF SANGAMON)

VERIFICATION

Joan S. Howard, being first duly sworn, states that she is a Consumer Policy Analyst in the Consumer Services Division of the Illinois Commerce Commission, that she has read the foregoing statement, that she is knowledgeable of the facts stated therein and that said contents are true and correct to the best of her information or belief.


Joan S. Howard
Consumer Services Division

Subscribed and sworn to
before me this 10thth day of
September, 2004.



Notary Public

